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Global Agricultural Information Network

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Report Highlights:

Oilmeal exports up as production increases, *Cane area likely to increase*, *Pearl millet research is expected to boost yields*, *Government of India will allow the export of an additional 1 million bales of cotton this year*, *Genes extracted from Bt may be harmful to plant growth: Indian scientists*, *Food inflation rises to 9 percent*, *Cotton, rice regions get early monsoon*, *Minimum support price for kharif crops increased by 8-19 percent*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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OILMEAL EXPORTS UP AS PRODUCTION INCREASES

According to recent data compiled by the Solvent Extractors' Association (SEA), oilmeal exports more than doubled in the first two months of the current financial year due to a sharp increase in oilseed production to 30.25 million tons in the current year (2010-11) compared to 24.9 million tons in the previous year (2009-10). Increased availability of oilseed led to higher crushing and production of oil and oilmeal to meet domestic oil demand and export demand for oilmeal. Data showed a 117 percent increase in oilmeal exports in April-May to 821,763 tons, as compared to 377,950 tons in the corresponding period in the previous year. Oilmeal shipment to Japan during April-May more than tripled to 205,726 tons as compared to 48,887 tons last year. Vietnam imported 110,072 tons compared to 41,853 tons last year. China imported 138,483 tons as compared to 100,281 tons earlier. Similarly, India's oilmeal exports to South Korea rose to 110,776 tons as compared to 88,012 tons last year. Europe imported 43,774 tons as compared to 579 tons last year. (Source: [Business Standard](#), 06/10/2011)

CANE AREA LIKELY TO INCREASE

India's sugar cane acreage is likely to rise in 2011-12, raising hopes for a surplus for the second straight year beginning October 2011. As farmers are still finding sugar to be highly remunerative, higher output will likely to pressure the government to increase the export limit beyond 500,000 tons, to support local prices which have fallen 12 percent in 2011. In Uttar Pradesh, the area is likely to rise about 10 percent in 2011-12 due to the increase in cane procurement prices, and regular and timely payments to farmers by mills. In Maharashtra, the state government is expecting the acreage to remain steady at last year's level. Farmers, officials and analysts agree that cane yields are largely dependent on monsoon rains, which this year seems to be normal (covering half of the state of Maharashtra five days earlier than expected). (Source: [Business Standard](#), 06/09/2011)

PEARL MILLET RESEARCH IS EXPECTED TO BOOST YIELDS

Thanks research efforts by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and the Indian Council of Agricultural Research (ICAR), productivity of pearl millet could soon double to improve food and nutritional security needs of the rural poor. The joint work by ICRISAT and ICAR has boosted pearl millet yield in three phases of hybrid development. ICRISAT Director-General, Mr. William Dar stated in a news release that "The current research strategy at ICRISAT is to develop crop varieties that will overcome the adversities of climate change, and thereby reinforce the food and income security of the poor, particularly in the dryland tropics." (Source: [Business Line](#), 06/08/2011)

GOVERNMENT OF INDIA WILL ALLOW THE EXPORT OF AN ADDITIONAL 1 MILLION BALES OF COTTON THIS YEAR

The government has announced that an additional 1 million bales of cotton will be exported in the 2010-11 crop marketing year (October-September). Pressure from Agriculture Minister, Mr. Sharad Pawar, has favored the easing of the export restriction on the basis that it was against the interest of the growers. However, the Indian textile industry feels that easing the cap by 1 million bales could create an acute shortage of cotton in the country during the months of August and September. Earlier, the Government had allowed 5.5 million bales of cotton for export, of which almost 5.2 million bales have already been shipped. With relaxation in export restriction, a total of 6.5 million bales of cotton will be allowed for export in this crop marketing year. 2010-11 production estimates for cotton in stand at 31.20 million bales, down from previous estimate of 32.50 million bales due to unseasonal rainfall in major producing regions. The textile industry believes that the decision to export an additional 1 million bales could bring cotton stocks to a level that would be insufficient to meet one month's demand. (Source: [Business Standard](#), 06/09/2011)

INDIAN SCIENTISTS SUGGEST THAT THE BT GENE MAY BE HARMFUL TO PLANT GROWTH

New research published in the June issue of 'Journal of Biosciences' suggests that the expression of the *Bacillus thuringiensis* (Bt) toxin Cry1Ac in cotton and tobacco transgenics is detrimental to the growth and development of the plants. However, the journal article, published by the Indian Academy of Sciences, does not provide reasons for the detrimental effects of Cry1Ac. Researchers have noted the need for further investigation. (Source: [The Hindu Business Line](#), 06/07/2011)

FOOD INFLATION RISES TO 9 PERCENT

Despite of a bumper rabi crop, the annual food inflation rate has increased to 9.01 percent for the week ending May 28, higher than the previous week's 8.06 per cent. Fruit accounted for the largest increase at 30.78 percent on a year-on-year basis. Onion prices were also up by over 14 percent, while prices for wheat (0.9 percent), potatoes (2.69 percent) and pulses (minus 9.49 percent) remained contained. This is the highest year-on-year increase registered by the wholesale price index for food articles since April 2. (Source: [Business Line](#), 06/10/2011)

COTTON, RICE REGIONS GET EARLY MONSOON

Indian Monsoon rains advanced through the cotton, sugar cane and rice producing regions nearly a week ahead of schedule, facilitating early planting of crops. As irrigation in India is mainly monsoon dependent, timely precipitation is critical for the farmers, in boosting yields and deciding which crop to grow. According to the Indian Metrological Department (IMD) rains were 36 percent above average until June 5. The country received 21.3 mm of rain in the June 1-5 period, which is more than the 15.7 mm historical average. (Source: [Mint](#), 06/07/2011)

MINIMUM SUPPORT PRICE FOR KHARIF CROPS INCREASED BY 8-19 PERCENT

The Government of India (GOI) has increased the minimum support prices (MSP) for the kharif season by 8 to 19 percent, with the objective of providing better incentives to farmers, compensating for higher input costs. On Thursday, the Committee on Economic Affairs (CEA)

raised the MSP for paddy rice, pulses, oilseeds etc. With record production over last two years and in line with the goals of reducing import dependence for traditional pulses over time, the GOI decided to maintain momentum by announcing the MSP increases. (Source: [Economic Times](#), 06/10/2011)

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